



United States Department of State

*Office of Foreign Missions
Washington, D.C. 20520*

NOTICE

Deadline for IRS Settlement Initiative Extended to March 30, 2007

The Internal Revenue Service (IRS) has extended to March 30, 2007, the deadline for which U.S.-based employees and former employees of foreign embassies, foreign consular offices, international organizations and **now Missions to the United Nations** to participate in a one-time initiative to resolve outstanding tax matters related to their employment. The deadline has been extended to make certain those wishing to participate in the election have the opportunity to do so.

Detailed information on this change can be reviewed at the following web address: <http://www.irs.gov/businesses/small/international/article/0,,id=164364,00.html>.

In the near future, IRS will announce additional guidance concerning this change. Interested parties should monitor the IRS' website (www.irs.gov) or the web address provide above for updated information on the Settlement Initiative.

Questions concerning the Settlement Initiative should be directed the IRS, via telephone (202) 874-1789 or electronic mail at embassy@irs.gov.

February 13, 2007



IRS Settlement Initiative: Employees at Foreign Embassies, Consular Offices and International Organizations in the U. S.

Deadline for Settlement Initiative to be Extended to March 30

The deadline will be extended to March 30, 2007 for U.S.-based employees and former employees of foreign embassies, foreign consular offices and international organizations to participate in a one-time settlement initiative to resolve outstanding tax matters related to their employment.

The offer, announced Nov. 17, 2006, is open to employees of those organizations who are U.S. citizens, green-card holders and foreign employees who have U.S. tax obligations. The deadline for participating had originally been February 20, 2007. The date is being extended to make certain those wishing to participate in the election have the opportunity to do so.

Those electing to participate in the initiative can resolve their outstanding tax issues, which include underreported wages, unwarranted deductions, incorrect SEP/IRA retirement plans, failure to pay self-employment tax, or failure to file tax returns at all.

Additional guidance on this change will be announced soon and information on this page will be updated.

U.S.-based employees and former employees of foreign embassies, foreign consular offices and international organizations can participate in a one-time settlement initiative to resolve tax matters related to their employment. The settlement initiative runs through February 20, 2007.

The offer is limited to employees and former employees of foreign embassies, foreign consular offices or international organizations who are either currently employed or were employed as such in the United States with a U.S. tax obligation. The types of tax situations that can be resolved through this settlement initiative include:

- failure to report wages, incorrect deductions claimed,
- incorrectly established SEP/IRA retirement plans,
- failure to pay self-employment tax, and
- failure to file tax returns.

In order to participate in the initiative affected taxpayers must submit amended or original tax returns for tax years 2003, 2004 and 2005 which properly reflect their income and expenses. Foreign embassy, consular office or international organization employees who fail to come forward may be subject to IRS audits and penalties which could cover more than just three years.

Links:

[IRS Announcement 2006-95](#)
[IRS Press Release IR-2006-180](#)
[Frequently Asked Questions](#)